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RECORDATION NO. 22026 FILED
FEB 12 '99 1-00 PM

OF COUNSEL
URBAN A. LESTER

February 12, 1999

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) copies of a Mortgage and Security Agreement, dated as of February 12, 1999, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Debtor: Greenbrier Leasing Corporation
One Centerpointe Drive
Lake Oswego, Oregon 97035

Secured Party: The Prudential Insurance Company of America,
as Security Agent
~~Four Gateway Center~~ *FOUR EMBARCADERO CENTER*
~~100 Mulberry Street~~ *SUITE 2700*
~~Newark, New Jersey 07102~~ *SAN FRANCISCO, CAL.*
94111

A description of the railroad equipment covered by the enclosed document is:

set forth on Exhibit A attached to the Mortgage and Security Agreement

Mr. Vernon A. Williams
February 12, 1999
Page 2

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Alvord", with a stylized flourish at the end.

Robert W. Alvord

RWA/bg
Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

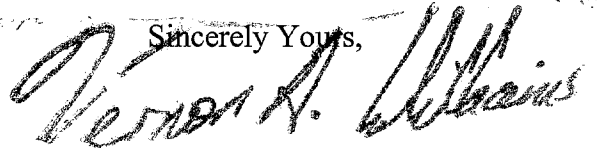
OFFICE OF THE SECRETARY

Robert W. Alvord
Alvord And Alvord
918 Sixteenth Street NW., Ste. 200
Washington, DC., 20006-2973

Dear Sir:

The enclosed documents (s) was recorded pursuant to the provisions of 49 U.S.C.
11301 and CFR 1177.3 (c), on 2/12/99 at 12:45PM and 1:00PM , and
assigned recordation numbers (s): 20879- I, 22024, 22025 and 22026.

Sincerely Yours,



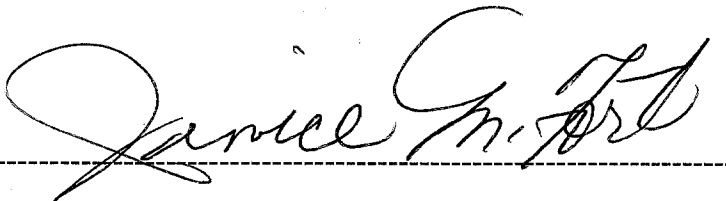
Vernon A. Williams

Enclosure(s)

104.00- (Paid by acct. 22257)

\$_____ The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid. In the event of an error or any questions concerning this fee, you will receive a notification after the Surface Transportation Board has an opportunity to examine your document.

Signature-----



RECORDATION NO. 22026 FILED

FEB 12 '99

1-00 PM

**MORTGAGE AND
SECURITY AGREEMENT**

**Dated as of
February 12, 1999**

between

GREENBRIER LEASING CORPORATION

and

**THE PRUDENTIAL INSURANCE COMPANY OF AMERICA,
as Security Agent**

**Sale of Senior Secured Tranche C Notes
Due June 14, 2006
in the Principal Amount of \$4,700,000**

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**MORTGAGE AND
SECURITY AGREEMENT**

This MORTGAGE AND SECURITY AGREEMENT dated as of February 12, 1999 (this "**Agreement**") between GREENBRIER LEASING CORPORATION (together with its successors, the "**Company**") and THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, as Security Agent for the holders of the Tranche A Notes, the Tranche B Notes and the Tranche C Notes (as defined below) (the "**Security Agent**")

WITNESSETH:

WHEREAS, capitalized terms used herein shall have the respective meanings set forth or referred to in Article I;

WHEREAS, the Company, Greenbrier Railcar, Inc. ("**Railcar**") and the Purchasers have entered into the Note Agreement of even date herewith (as the same may from time to time, be supplemented, modified, amended or restated, the "**Note Agreement**") pursuant to which, among other things, the Purchasers have agreed to purchase, and the Company has agreed to sell, the Tranche C Notes in the principal amount set forth opposite each Purchaser's name in the Purchaser Schedule attached to the Note Agreement and the Company has agreed that such Tranche C Notes will be secured by the Lien of this Agreement;

WHEREAS, pursuant to the Note Agreement the Purchasers are also purchasing the Tranche A Notes and the Tranche B Notes of Railcar which are guaranteed by the Company under the Note Agreement, and the Company has agreed that the Tranche A Notes and the Tranche B Notes, and the Company's obligation under its guarantee thereof, will be secured by the Lien of this Agreement;

WHEREAS, in order to induce the Purchasers to enter into the Note Agreement, the Company has agreed by this Agreement, among other things, to provide for the assignment, mortgage and pledge by the Company to the Security Agent, for the benefit of the holders of the Tranche A Notes, the Tranche B Notes and the Tranche C Notes (the "**Holders**"), of the Company's rights, title and interest in and to the Company Estate in accordance with the terms hereof, as security for the Company's and Railcar's obligations to the Holders and for the benefit and security of such Holders; and

WHEREAS, all things necessary to make this Agreement the legal, valid and binding obligation of the Company and the Security Agent, for the uses and purposes herein set forth, in accordance with its terms, have been done and performed and have happened;

GRANTING CLAUSE

NOW, THEREFORE, THIS SECURITY AGREEMENT WITNESSETH, that, to secure the prompt payment of the principal of, and Yield-Maintenance Amount, if any, and interest on, and all

other amounts due with respect to, all Tranche A Notes, Tranche B Notes and Tranche C Notes from time to time outstanding, the performance and observance by the Company of all the agreements, covenants and provisions contained herein, in the Note Agreement (including, without limitation, the Company's obligations under its guarantee under paragraph 8 of the Note Agreement) and in the Tranche C Notes, and the performance and observance by Railcar of all the agreements, covenants and provisions contained in the Note Agreement, the Tranche A Notes and the Tranche B Notes and for the uses and purposes and subject to the terms and provisions hereof, and in consideration of the premises and of the covenants herein contained, and of the acceptance of the Tranche A Notes, the Tranche B Notes and the Tranche C Notes by the Holders thereof, the Company has granted, bargained, sold, assigned, transferred, conveyed, mortgaged, pledged and confirmed, and does hereby grant, bargain, sell, assign, transfer, convey, mortgage, pledge and confirm, unto the Security Agent, its successors and assigns, for the security and benefit of the Holders from time to time, a security interest in and mortgage lien on all estate, right, title and interest of the Company in, to and under the following described property, rights, interests and privileges, whether now or hereafter acquired (which, collectively, are included within the Company Estate), to wit:

(1) all the Company Equipment as is from time to time expressly made subject to this Agreement (whether or not any such item of Company Equipment is subject to a Lease), and all replacements thereof and substitutions therefor in which the Company shall from time to time acquire an interest, each such item of Company Equipment as more particularly described (including ownership thereof) in Exhibit A, and all records, logs and other documents at any time maintained with respect to the foregoing;

(2) each Company Lease and all Company Lease Payments, in each case, including (x) all rights of the Company to receive any payments or other amounts or to exercise any election or option or to make any decision or determination or to give or receive any notice, consent, waiver or approval or to take any other action under or in respect of any such document or to accept surrender or redelivery of the relevant item of Company Equipment or any part thereof, as well as all the rights, powers and remedies on the part of the Company, whether acting under any such document or by statute or at law or in equity, or otherwise, arising out of any event of default under any Company Lease and (y) any right to restitution from any Lessee or any other Person in respect of any determination of invalidity of any Company Lease, it being agreed that the rights, powers and remedies referred to in the preceding clauses (x) and (y) are presently assigned and transferred to the Security Agent and may, except as provided in Section 5.04, be exercised by the Security Agent without the necessity of proceeding under Section 4.01 to exercise remedies thereunder;

(3) without limiting the foregoing clause (2), all rents, issues, profits, revenues and other income of the property subjected or required to be subjected to the Lien of this Agreement which relates to the Company Equipment or the Company Leases, including all payments or proceeds payable to the Company and with respect

to any item of Company Equipment as the result of the sale, lease or other disposition thereof, and all right, title and interest of every nature whatsoever of the Company in and to the same and every part thereof;

(4) all insurance proceeds payable to the Company with respect to any item of Company Equipment or any part thereof or pursuant to any Company Lease;

(5) the Company Collection Account and the Company Proceeds Account;

(6) all moneys and securities now or hereafter paid or deposited or required to be paid or deposited to or with the Security Agent by or for the account of the Company pursuant to the terms hereof and held or required to be held by the Security Agent hereunder; and

(7) all proceeds of the foregoing;

SUBJECT, HOWEVER, TO the rights of the Company under Section 5.04, and the rights of each Lessee under its Company Lease as provided for in this Agreement.

Any and all properties referred to in this Granting Clause which are at any time and from time to time acquired by the Company, shall, without further conveyance, assignment or act by the Company or the Security Agent thereby become and be subject to the security interest hereby granted as fully and completely as though specifically described herein.

HABENDUM CLAUSE

TO HAVE AND TO HOLD all and singular the aforesaid property unto the Security Agent, each of their successors and assigns, for the benefit and security of the Holders from time to time, without any priority of any Note over any other (except as may otherwise be expressly provided herein), and for the uses and purposes and subject to the terms and provisions set forth in this Agreement.

It is expressly agreed that anything herein contained to the contrary notwithstanding, the Company shall remain liable under each Company Lease and any other agreement or instrument entered into between the Company and any Lessee or otherwise relating to any item of Company Equipment to perform all of the obligations assumed by it thereunder, all in accordance with and pursuant to the terms and provisions thereof, and neither the Security Agent nor the Holders shall have any obligation or liability under any thereof by reason of or arising out of the assignment hereunder, nor shall the Security Agent or the Holders be required or obligated in any manner to perform or fulfill any obligations of the Company under or pursuant to any such Company Lease or other agreement or instrument, except as herein expressly provided, to make any payment, or to

make any inquiry as to the nature or sufficiency of any payment received by it, or present or file any claim or take any action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

The Company does hereby irrevocably constitute and appoint the Security Agent the true and lawful attorney of the Company (which appointment is coupled with an interest) with full power (in the name of the Company or otherwise) (provided that such power of attorney shall not be exercised by the Security Agent until the occurrence of an Event of Default) to ask, require, demand and receive any and all moneys and claims for moneys (in each case including insurance proceeds) due and to become due under or arising out of any Company Lease and all other property which now or hereafter constitutes part of the Company Estate, to endorse any checks or other instruments or orders in connection therewith and to file any claims or to take any action or to institute any proceedings which the Security Agent may deem to be necessary or advisable in the premises. From and after the Company CA Effective Date, the Company agrees that promptly on receipt thereof, it will transfer to the Security Agent any and all moneys from time to time received by it constituting part of the Company Estate, whether or not expressly referred to in the immediately preceding sentence, for distribution by Security Agent pursuant to this Agreement.

The Company agrees that, at any time and from time to time, upon the written request of the Security Agent or as required to comply with its obligations hereunder, the Company will promptly and duly execute and deliver or cause to be duly executed and delivered any and all such further instruments and documents as the Security Agent may reasonably deem desirable in obtaining the full benefits of the assignment hereunder and of the rights and powers herein granted.

The Company does hereby warrant and represent that, except for assignments and pledges which have been released and discharged by the relevant assignee or pledgee, as the case may be, prior to the Closing Date, it has not assigned or pledged, and hereby covenants that it will not assign, pledge or otherwise encumber, so long as this Agreement shall remain in effect and the Lien hereof shall not have been released pursuant to Section 9.01, any of its estate, right, title or interest hereby assigned, to anyone other than the Security Agent and that, with respect to such estate, right, title and interest hereby assigned, it will not so long as no Default or Event of Default exists, except as provided in this Agreement or in the ordinary course of its business, and will not if a Default or Event of Default has occurred and is continuing, (a) enter into any agreement amending, modifying or supplementing any Company Lease, execute any waiver or modification of, or consent under, the terms of any Company Lease, revoke or terminate any Company Lease, (b) settle or compromise any claim arising under any Company Lease or (c) submit or consent to the submission of any dispute, difference or other matter arising under or in respect of any Company Lease to arbitration thereunder.

Subject to Section 5.04, the Company hereby ratifies and confirms its obligations under each Lease to which it is a party and does hereby agree that it will not take or omit to take, any action, the taking or omission of which might result in an alteration or impairment of any Company Lease to which it is a party or of any of the rights created by any thereof or the assignment hereunder.

IT IS HEREBY COVENANTED AND AGREED by and between the parties hereto as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions from Note Agreement. For all purposes of this Agreement, capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Note Agreement.

SECTION 1.02. Other Definitions. As used herein the following terms shall have the respective meanings specified below.

“Collateral Transaction” shall mean any pledge to the Security Agent of equipment or leases in addition to or substitution for any of the Company Equipment, Company Leases, Railcar Golden West Equipment, Railcar Golden West Leases, Railcar Equipment or Railcar Leases as provided herein, any pledge by Railcar to the Railcar Security Agent of equipment or leases in addition to or substitution for any of the Railcar Equipment or Railcar Leases as provided in the Railcar Security Agreement, any pledge by Railcar to the Railcar Golden West Security Agent of equipment or leases in addition to or substitution for any of the Railcar Golden West Equipment or Railcar Golden West Leases as provided in the Railcar Golden West Security Agreement, any release by the Security Agent of its security interest in any of the Company Estate hereunder, any release by the Railcar Security Agent of its security interest in any of the Railcar Estate under the Railcar Security Agreement, any release by the Railcar Golden West Security Agent of its security interest in any of the Railcar Golden West Estate under the Railcar Golden West Security Agreement, any release of funds from the Company Proceeds Account, any release of funds from the Railcar Proceeds Account or any release of funds from the Railcar Golden West Proceeds Account (excluding any release of funds as a result of prepayment of the Notes or the repair of damaged equipment). For the purpose of this Agreement, all Collateral Transactions simultaneously processed by the Security Agent hereunder (and, if the entity which is the Security Agent under this Agreement is also the Railcar Security Agent or the Railcar Golden West Security Agent, simultaneously processed under the Company Security Agreement or the Company Security Agreement, as the case may be) shall constitute one Collateral Transaction for the purposes of Section 3.19 hereof.

“Railcar Security Agent” shall mean the security agent under the Railcar Security Agreement.

“Railcar Golden West Security Agent” shall mean the security agent under the Railcar Golden West Security Agreement.

ARTICLE II

RECEIPT, DISTRIBUTION AND APPLICATION OF FUNDS FROM THE COMPANY COLLECTION ACCOUNT FOLLOWING AN EVENT OF DEFAULT

SECTION 2.01. Funds Received Following Event of Default. All payments received from a Lessee under any Company Lease, and any amounts held or realized by the Security Agent from the Company Collection Account or otherwise, after an Event of Default shall have occurred and so long as such Event of Default shall be continuing and after the Security Agent has received a request from the Required Holders of the Tranche C Notes (or, if no Tranche C Notes are outstanding, the Required Holders of the Tranche A Notes or the Tranche B Notes), to pursue remedies in respect thereof, or after the Tranche C Notes shall have become due and payable as provided in the Note Agreement (or, if no Tranche C Notes are outstanding, after the Tranche A Notes or the Tranche B Notes shall have become due and payable as provided in the Note Agreement), as well as all payments or amounts then held by the Security Agent as part of the Company Estate, shall be promptly distributed by the Security Agent in the following order of priority:

first, so much of such payments or amounts as shall be required to reimburse the Security Agent for any tax, expense, charge or other loss (including all amounts to be expended at the expense of, or charged upon, the tolls, rents, revenues, issues, products and profits of, the Company Estate pursuant to Section 4.02(b)) incurred by the Security Agent (to the extent not previously reimbursed) (including the expenses of any sale, taking or other proceeding, reasonable attorneys' fees and expenses, court costs, and any other expenditures incurred or expenditures or advances made by the Security Agent in the protection, exercise or enforcement of any right, power or remedy or any damages sustained by the Security Agent, liquidated or otherwise, upon such Event of Default) shall be applied by the Security Agent in reimbursement of such expenses;

second, so much of such payments or amounts remaining as shall be required to reimburse then existing or prior Holders for payments made to the Security Agent pursuant to any indemnification payments made to the Security Agent by such Holders in connection with the performance by Security Agent of its duties hereunder shall be distributed to such Holders ratably, without priority of one over any other, in accordance with the amount of the payment or payments made by each such Holder;

third, so much of such payments or amounts remaining as shall be required to pay in full the aggregate unpaid principal amount of all Tranche C Notes then due, plus any Yield- Maintenance Amount, all accrued but unpaid interest thereon to the date of distribution and all other amounts due under the Tranche C Notes, the Note Agreement (with respect to the Tranche C Notes or the Company's obligations under the Note Agreement with respect to the Tranche C Notes) and this Agreement, shall be distributed to the Holders of the Tranche C Notes, and in case the aggregate amount so to be distributed shall be insufficient to pay in full as aforesaid, then, ratably, without priority of one over the other, in the proportion that the aggregate unpaid principal amount of all

Tranche C Notes held by each such Holder, plus any Yield-Maintenance Amount, the accrued but unpaid interest thereon to the date of distribution and all other amounts due under the Tranche C Notes, the Note Agreement (with respect to the Tranche C Notes or the Company's obligations under the Note Agreement with respect to the Tranche C Notes) and this Agreement, bears to the aggregate unpaid principal amount of all Tranche C Notes, plus Yield-Maintenance Amount, the accrued but unpaid interest thereon to the date of distribution and all other amounts due under the Tranche C Notes, the Note Agreement (with respect to the Tranche C Notes or the Company's obligations under the Note Agreement with respect to the Tranche C Notes) and this Agreement;

fourth, so much of such payments or amounts remaining as shall be required to pay in full the aggregate unpaid principal amount of all Tranche A Notes and Tranche B Notes then due, plus any Yield- Maintenance Amount, all accrued but unpaid interest thereon to the date of distribution and all other amounts due under the Tranche A Notes, the Tranche B Notes and the Note Agreement (with respect to the Tranche A Notes or the Tranche B Notes or the Company's or Railcar's obligations under the Note Agreement with respect to the Tranche A Notes or the Tranche B Notes) shall be distributed to the Holders of the Tranche A Notes and the Tranche B Notes, and in case the aggregate amount so to be distributed shall be insufficient to pay in full as aforesaid, then, ratably, without priority of one over the other, in the proportion that the aggregate unpaid principal amount of all Tranche A Notes and Tranche B Notes, as the case may be, held by each such Holder, plus any Yield-Maintenance Amount, the accrued but unpaid interest thereon to the date of distribution and all other amounts due under the Tranche A Notes, the Tranche B Notes and the Note Agreement (with respect to the Tranche A Notes or the Tranche B Notes or the Company's or Railcar's obligations under the Note Agreement with respect to the Tranche A Notes or Tranche B Notes) bears to the aggregate unpaid principal amount of all Tranche A Notes and Tranche B Notes, plus Yield-Maintenance Amount, the accrued but unpaid interest thereon to the date of distribution and all other amounts due under the Tranche A Notes, the Tranche B Notes and the Note Agreement (with respect to the Tranche A Notes or the Tranche B Notes or the Company's or Railcar's obligations under the Note Agreement with respect to the Tranche A Notes or the Tranche B Notes); and

fifth, the balance if any, of such payments or amounts remaining thereafter shall be distributed to, or as directed by, the Company.

SECTION 2.02. Other Payments. Any payments received by the Security Agent for which no provision as to the application thereof is made in this Agreement shall (i) if an Event of Default shall then be continuing, to the extent received or realized at any time prior to the payment in full of all obligations to the Holders secured by the Lien of this Agreement, be held by the Security Agent as part of the Company Estate and (ii) if no Event of Default shall then be continuing or to the extent received or realized at any time after payment in full of all obligations to the Holders secured by the Lien of this Agreement be distributed in the following order of priority: first, in the manner provided in clause "first" of Section 2.01, and second, in the manner provided in clause "fourth" of Section 2.01.

ARTICLE III

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY

SECTION 3.01. Miscellaneous. (a) The Company hereby covenants and agrees as follows:

(i) the Company will duly and, subject to any applicable grace period, punctually pay the principal of, Yield-Maintenance Amount, if any, and interest on and other amounts due under the Tranche C Notes and under the Note Agreement in accordance with the terms of the Tranche C Notes and the Note Agreement;

(ii) if a Responsible Officer shall have actual knowledge of a Default or an Event of Default, the Company will give prompt written notice of such Default or Event of Default to the Security Agent and each Holder;

(iii) the Company will furnish to the Security Agent, promptly upon request, all reports, notices, financial statements or other information requested by the Security Agent relating to the Company Collection Account and the Company Proceeds Account and

(iv) the Company will perform all of its covenants and agreements set forth in the Note Agreement and this Agreement in accordance with the terms thereof.

SECTION 3.02. Location of Equipment and Records; Inspection. The Company represents and warrants that its chief executive office is located at the address set forth in paragraph 1 of Exhibit C and that the books relating to the Company Equipment owned by the Company and the Company Leases to which it is a party are, and have been during the four-month period prior to the date hereof, located at the address for the Company on Exhibit C and such are the offices where the Company keeps such records, ledger sheets, correspondence and invoice documents and instruments relating to or evidencing such Company Equipment and such Company Leases. The Company shall maintain appropriate records, as customarily maintained by substantial companies engaged in the railroad rolling stock leasing industry, clearly identifying and specifying the billing location of each item of Company Equipment owned by the Company. Except as may be required in the ordinary course of the Company's business, the records relating to each item of Company Equipment owned by the Company and the Company to which it is a party shall be kept on the Company's premises identified on Exhibit C, and shall be kept in appropriate containers in safe places and shall be available only to the Security Agent, any Significant Holder, to authorized employees and representatives of the Company and to the Company's independent certified public accountant. The Company will not, unless required by law, or in order to prosecute or defend judicial or administrative proceedings, or in order to comply with administrative regulations or orders or the provisions of this Agreement, remove any records of such Company Equipment or Company Leases

from the premises identified on Exhibit C unless written notice thereof is given to each Holder at least thirty (30) days prior to such removal, which notice shall also identify the new location of such records and/or such Company Equipment or Company Leases; provided, however, that if such records are removed from the premises identified on Exhibit C, photocopies of such records will be kept on such premises. Notwithstanding the foregoing or the provisions of paragraph 5L of the Note Agreement, in the event of a change in the Company Lease to which any item of Company Equipment pledged hereunder is subject, the Company shall not be required to make any filings with the Surface Transportation Board, to make any deposits with the Registrar General of Canada or to file any Uniform Commercial Code financing statement amendments with respect to the new Company Lease to which such item of Company Equipment is subject until such time as either (a) the sum of the aggregate Replacement Value of all such Company Equipment as to which such filings or deposits have not been made, plus the aggregate Replacement Value of all Railcar Equipment as to which there has been a change in the Railcar Lease to which such Railcar Equipment is subject but with respect to which such filings or deposits have not been made, exceeds 20% of the aggregate Replacement Value of all Company Equipment and Railcar Equipment or (b) a period of one year has elapsed since such a filing and deposit covering all then items of Company Equipment and then Company Leases have been made.

SECTION 3.03. Use and Operation of Equipment. So long as no Event of Default shall have occurred and be continuing, the Company shall, subject to the rights of the Lessee under each Company Lease, have the full use of the Company Equipment and may employ the Company Equipment in any lawful trade or commerce in the ordinary course of its business. Except as contemplated by this Agreement, the Company will not assign or transfer its obligations or rights hereunder, or transfer, assign, pledge, mortgage or otherwise dispose of any rights under any Company Lease, without the prior written consent of the Security Agent.

SECTION 3.04. Maintenance of Equipment. The Company agrees that it will, at its sole cost and expense (whether or not any applicable insurance proceeds are adequate for the purpose) , (a) exercise its rights under each Company Lease to which it is a party in accordance with its normal commercial practices subject to amendment in accordance with the final two sentences of Section 3.10, so as to maintain and keep, or cause others to maintain and keep, the Company Equipment in good order and proper repair without cost or expense to any Holder, so as to keep the Company Equipment in good condition and repair, ordinary wear and tear excepted; and (b) keep the Company Equipment not subject to a Company Lease in good condition and repair, ordinary wear and tear excepted and in compliance with all applicable laws, regulations and orders of any governmental authority or any other authority having jurisdiction with respect thereto, a violation of which would be likely to have a material adverse effect on the business or financial condition of the Company and its Subsidiaries, taken as a whole.

SECTION 3.05. Substituted Company Equipment and Company Leases Subject Hereto and Reports to be Furnished to Each Significant Holder. (a) The Company may, at any time when no Default or Event of Default is in existence, cause to be pledged to the Security Agent other equipment and leases, or cash in the amount required by Section 3.15 as if the Replaced Company

Equipment had suffered a casualty, in addition to or in substitution for any of the Company Equipment and Company Leases herein specifically described or subjected hereto, but only in accordance with the provisions of this Section 3.05. Upon the pledge of such other equipment and leases to the Security Agent in accordance with this Section 3.05, such other equipment and leases, and the lease payments payable pursuant to any such leases relating to such equipment, shall be included as part of the Company Estate, and shall be subject to all the terms and conditions hereof in all respects as though such equipment and leases and such lease payments had been part of the Company Estate herein specifically described on Exhibit A. In addition, the Company may, at any time when no Default or Event of Default is in existence, cause to be pledged to the Security Agent other equipment or leases in substitution for any of the Railcar Equipment and Railcar Lease specifically described or subjected to the Railcar Security Agreement, or Railcar Golden West Equipment (so long as no Railcar Golden West Equipment is then subject to the UPRR Master Lease) and Railcar Golden West Lease specifically described or subjected to the Railcar Golden West Security Agreement, but only in accordance with the provisions of Section 3.05 of the Railcar Security Agreement or Section 3.05 of the Railcar Golden West Security Agreement, as the case may be, and the provisions of this Section 3.05.

(b) The substitution of any Company Equipment or Company Lease pursuant to paragraph (a) above shall be effected by the delivery by the Company of the following:

(i) to the Security Agent and each Significant Holder, an Officer's Certificate in substantially the form set forth on Exhibit D-1, D-2, D-3 or D-4 hereto, as applicable;

(ii) to the Security Agent and each Significant Holder who may request the same, a Mortgage and Security Agreement Supplement in the form of Exhibit E-1, E-2, E-3 or E-4 hereto, as applicable, duly executed by the Company (a **"Supplement"**) specifying the equipment and leases being pledged to the Security Agent by such Supplement and the items of Company Equipment and Company Leases being substituted for, and containing an amended and restated Exhibit A to this Agreement reflecting all items of Company Equipment and Company Leases after giving effect to all equipment and leases pledged to the Security Agent hereunder since the date of this Agreement and the deletion of all Company Equipment and Company Leases which have been released from the Lien of this Agreement since such date;

(iii) to the Security Agent, any Collateral Processing Fee due under Section 3.19 hereof;

(iv) if, under the provisions of Section 3.05(d), an appraisal of the fair market value of the equipment being pledged to the Security Agent is required, to the Security Agent and the Significant Holders copies of such appraisal reflecting a fair market value in the amount required under Section 3.05(d);

(v) to the Security Agent, duly completed amendments to all Uniform Commercial Code financing statements filed or recorded with respect to the Company Estate amending the collateral description in such financing statements to be the amended and restated Exhibit A to this Agreement referred to in clause (ii) of this paragraph (b), duly executed by the Company and in proper form for filing and recording; and

(vi) to the Security Agent evidence of compliance by Railcar with Section 3.05 of the Railcar Security Agreement or the Railcar Golden West Security Agreement, as the case may be, if the Company is substituting equipment and leases for collateral thereunder.

Promptly after the execution by the Security Agent of a Supplement, the Company shall cause (1) such Supplement and any Company Leases being added to the Company Estate by such Supplement to be filed, recorded and deposited in conformity with 49 U.S.C. Section 11301 and in such other places within the United States necessary or advisable and deposited with the Registrar General of Canada pursuant to Section 105 of the Railcar Act of Canada and publish notice of such deposit in The Canada Gazette in accordance with such Section 105 (if any of the Company Equipment added by such Supplement is to be principally located in Canada), (2) the amendments to the Uniform Commercial Code financing statements referred to in clause (v) to be duly filed or recorded in the applicable filing offices, and (3) otherwise comply with the requirements of paragraph 5L of the Note Agreement with respect to the property covered by such Supplement. The Company shall pay all filing fees or other costs of taking the actions specified in clause (1) through (3) and promptly provide the Security Agent with evidence that such actions have been taken, and no release of any portion of the Company Estate as a result of such substitution shall be effective until such actions have been completed.

(c) In the event of the substitution of any item of Company Equipment or Company Lease as contemplated by this Section 3.05, all provisions of this Agreement relating to the Company Equipment or Company Lease being replaced shall be applicable to such substitute item of Company Equipment or Company Lease with the same force and effect as if (i) such substitute item of Company Equipment were the same item of Company Equipment as the item of Company Equipment being replaced but for any casualty loss with respect to the Company Equipment being replaced or (ii) the same Company Lease as the Company Lease being replaced.

(d) No substitution or replacement of any item of Company Equipment, Railcar Equipment or Railcar Golden West Equipment shall be made under this Section 3.05 unless the item or items of Company Equipment, Railcar Equipment or Railcar Golden West Equipment being substituted for or replaced are substituted for or replaced with an item or items of Company Equipment having in the aggregate a book value on the date of such substitution or replacement equal to or greater than the aggregate book value of the item or items of Company Equipment, Railcar Equipment or Railcar Golden West Equipment being substituted for or replaced (or, to the extent that the aggregate Replacement Value of all Replaced Company Equipment and Replaced Railcar Equipment in any fiscal year exceeds 20% of the total Replacement Value of all Company

Equipment and Railcar Equipment as of the last day of the immediately preceding fiscal year or the aggregate Replacement Value of all Replaced Railcar Golden West Equipment in any fiscal year exceeds 10% of the total replacement value of all Railcar Golden West Equipment as of the last day of the immediately preceding fiscal year, substituted for or replaced with an item or items of Company Equipment or Railcar Equipment, as the case may be, having an aggregate fair market value, as appraised in writing by an appraiser approved in writing by the Required Holders), on the date of such substitution or replacement equal to or greater than the aggregate Replacement Value of such item or items of Company Equipment, Railcar Equipment or Railcar Golden West Equipment being substituted for or replaced.

SECTION 3.06. Ownership of Leases and Equipment. The Company represents and warrant that it is now and at all times hereafter shall be the absolute owner, free and clear of all Liens, except Liens permitted under the Note Agreement, of indefeasible title to the Company Leases and Company Equipment.

SECTION 3.07. Possession of Company Equipment Subject to Company Leases. Any Company Lease may provide that the Lessee, subject to the provisions of such Company Lease, shall be entitled to the possession and use of the Company Equipment covered thereby; provided, however, that anything in the foregoing provisions of this sentence to the contrary notwithstanding, no such Company Lease shall negate all or any part of the rights or obligations of the Company thereunder, pursuant hereto or as permitted hereby to assign, pledge, mortgage, transfer or otherwise dispose of any Company Equipment or to assign the rights of the Company as lessor under such Company Leases, any such assignment, pledge, mortgage, transfer or other disposition to be subject, however, to any such Company Lease.

SECTION 3.08. Performance of Leases. The Company agrees that neither the Security Agent nor any Holder shall have any responsibility, liability, or obligation to perform any of the obligations of the Company under the Company Leases and the Company covenants to comply in all material respects with each and every term, covenant and condition contained in the Company Leases to which it is a party.

SECTION 3.09. Leases Binding Upon Lessees. The Company represents and warrants to each Holder that each Company Lease represents the valid and binding obligation of each Lessee thereto in accordance with the respective terms thereof and that each Lessee has received and accepted each item of Company Equipment described in each Company Lease.

SECTION 3.10. Obligations of the Company Under Company Leases; Assignment of Company Leases by the Company; Enforcement Policies. The Company represents and warrants that it has fulfilled, in all material respects, each and every term, covenant and condition contained in the Company Leases to which it is a party. The Company Leases constitute a Company Eligible Lease Pool. The Company agrees that the Company Leases shall constitute a Company Eligible Lease Pool at all times prior to termination of the Lien of this Agreement. The Company may not assign its interests in any Company Lease except as contemplated herein. In exercising its rights in

respect of any item of Company Equipment or Company Lease, the Company will not discriminate against such item of Company Equipment or Company Lease as compared to the exercise by the Company of its rights in respect of equipment and leases not subject to the Lien of this Agreement.

SECTION 3.11. Delivery of Leases. The Company agrees that, following the occurrence of an Event of Default, upon the request of the Required Holders of the Tranche C Notes (or, if no Tranche C Notes are outstanding, upon the request of the Required Holders of the Tranche A Notes or the Tranche B Notes), and at its sole expense, it will deliver to the Security Agent all executed copies of the Company Leases in their possession.

SECTION 3.12. Payments to the Company Collection Account. Immediately following the establishment of the Company Collection Account pursuant to Article VIII, the Company shall direct each Lessee to make payments to the Company Collection Account of all Company Lease Payments and other sums owing by such Lessee to the Company and if the Company fails to do so, the Security Agent may make such notification. The Company shall give copies of all such directions to the Security Agent within five (5) Business Days following the giving thereof.

SECTION 3.13. Failure to Pay Taxes, Etc. In the event that the Company shall fail to pay any Taxes when due (subject to any applicable grace periods) , or to discharge any Lien or contest the same in good faith, then the Security Agent, without waiving or releasing any obligation or default of the Company hereunder, may at any time or times hereafter upon receipt of funds from the Holders, but shall be under no obligation to do so, make such payment, settlement, compromise or release or cause to be released any such Lien, and take any other action with respect thereto which the Required Holder(s) deems advisable. All sums paid by the Security Agent or any Holder in satisfaction of, or on account of any Taxes, or to discharge or release any Lien, and any expenses, including reasonable attorneys' fees, court costs and other charges relating thereto, shall be repaid by the Company and the Company's obligations in this respect shall be secured by the Lien of this Agreement. All such amounts payable to the Security Agent or any Holder, as the case may be, shall be payable on demand with interest thereon at a rate per annum equal to the rate per annum applicable to overdue payments on the Tranche C Notes as provided therein (the "Past-Due Rate").

SECTION 3.14. Insurance. (a) The Company shall carry with reputable insurance companies (i) comprehensive general liability insurance with respect to the Company Equipment, written on an occurrence basis and in an amount not less than \$25,000,000 per occurrence (with an annual aggregate limitation of \$25,000,000) and include but not be limited to premises and operations, independent contractors, contractual and products and completed operations and (ii) property damage insurance with respect to the Company Equipment naming the Holders as loss payees having a \$5,000,000 limit per each loss. Notwithstanding the foregoing, the Company may satisfy the above insurance requirements through self-insurance not less comprehensive in amounts and against risks customarily insured by companies similar to the Company, but in any event at least comparable in amounts, risks and deductibles in respect of equipment owned by the Company similar in type to the Company Equipment and in any event at least in accordance with the provisions of the remaining paragraphs of this Section 3.14(a) at such time as the Company deems it proper to

maintain such self-insurance; provided, that the Company's insurance broker certifies in writing that such self-insurance is reasonable and prudent for similarly situated companies in the same business as the Company. The Company will use reasonable efforts to cause the Lessees to maintain liability and physical damage insurance consistent with industry practice and the Company's past practices.

The Company shall at no time have a level of risk retention and/or self-insurance in connection with the Company Equipment as part of its general liability insurance program as required by this Section 3.14(a) clause (i) above that exceeds \$1,000,000 per occurrence or as part of its property damage insurance program as required pursuant to this Section 3.14(a) clause (ii) above that exceeds \$500,000 per occurrence.

With respect to general liability insurance coverage and property damage insurance coverage (other than self-insurance coverage) required by this Section 3.14(a) (i) at least 90% of such coverage shall be provided by insurance companies which are rated by Best's Insurance Guide and Key Ratings ("Best's") "A-" or better, without regard to size, and (ii) at least 85% of such coverage shall be provided by insurance companies which are rated "A-, X" or better by Best's.

(b) All policies of insurance required to be carried by the Company pursuant to the immediately preceding paragraph shall (i) require that the Security Agent be named as an additional insured under such policies, (ii) provide that such insurance is primary without right of contribution from any other insurance which might otherwise be available to any Holder, including any insurance obtained pursuant to Section 3.14(e), (iii) provide that in the event of any loss payment under a policy, the insurer shall waive any rights of subrogation against each Holder as an insured party and shall waive any set-off or counterclaim or any other deduction (subject to deductibles) whether by attachment or otherwise, and (iv) include a cross-liability endorsement providing that inasmuch as the policies are written to cover more than one insured, all terms and conditions, insuring agreements and endorsements, with the exception of limits of liability and deductibles, shall operate in the same manner as if there were a separate policy covering each insured. The Company shall deliver an irrevocable letter of instruction to each insurance company providing insurance required by this Section 3.14 instructing such insurers that, following receipt of notice by such insurer from the Security Agent of the occurrence of an Event of Default, such insurer shall make all payments under such insurance directly to the Company Collection Account (from and after the Company CA Effective Date). The Company hereby covenants that after the occurrence and during the continuance of an Event of Default the Company shall, immediately upon receipt thereof, deposit any and all proceeds received with respect to the insurance required by Section 3.14 to the Company Collection Account.

(c) Except as otherwise expressly provided herein, the Company will not do or otherwise omit to take any act, nor voluntarily suffer or permit any act to be done or omitted, whereby any insurance required to be carried or maintained hereunder shall or may be suspended, impaired or defeated, and will not use or operate, or permit any item of Company Equipment to be used or operated, for purposes more hazardous than permitted by the terms of the insurance policies carried by the Company pursuant to this Section 3.14.

(d) The Company will, at its own expense, make all proof of loss and take all other action necessary or appropriate to make collections from the underwriters of insurance required to be carried and maintained by this Section 3.14.

(e) Nothing in this Section 3.14 shall be construed to prohibit the Security Agent or any Holder from insuring at its own expense any item of Company Equipment or its interest therein, and any insurance so maintained shall not provide for or result in a reduction of the coverage or the amounts payable under any of the insurance required to be maintained by the Company under this Section 3.14.

(f) If the Company shall at any time or times hereafter fail to obtain and maintain any of the policies of insurance required pursuant to this Section 3.14, or fail to pay any premium in whole or in part relating to any such policies, or fail to pay any valid claim in its permitted capacity as a self-insurer, then the Security Agent may, upon receipt of funds from the Holders, obtain and cause to be maintained any or all of such policies, and maintain new insurance in lieu of self-insurance and pay any part or all of the premiums due thereunder, without thereby waiving any default by the Company and any sum so disbursed by the Security Agent shall be repaid by the Company and such obligation of the Company shall be secured by the Lien of this Agreement. All such obligations shall be repaid by the Company on demand with interest thereon at the Past Due Rate.

SECTION 3.15. Proceeds of Insurance; Condemnation Awards. Immediately upon receipt by the Company of the proceeds of any property insurance and third-party payments for damages or casualty loss to any item of Company Equipment in respect of the insurance required by Section 3.14 and any condemnation award or proceeds, but in any event no later than 180 days after the Company receives knowledge of such casualty loss, condemnation or damages (if such damages have not been repaired within such 180-day period), the Company shall deposit into the Company Proceeds Account from such proceeds or condemnation award and, if necessary, other cash, an amount equal to 84% of the Replacement Value of such item of Company Equipment on the date of such damages or casualty loss or such condemnation award. So long as no Default or Event of Default shall have occurred and be continuing, the Company may determine to repair or replace such item of Company Equipment. Upon completion of such repair or replacement, the Company shall furnish proof satisfactory to the Security Agent that any damage to such Company Equipment shall have been fully repaired and restored to the condition required to be maintained pursuant to paragraph 5D of the Note Agreement and Section 3.04 hereof (but no such proof shall be required so long as the aggregate Replacement Value of all such repaired and restored Company Equipment in any fiscal year does not exceed \$200,000) or that such Company Equipment has been replaced in accordance with Section 3.05 hereof with a substitute item or items of equipment. If such item of the Company Equipment is not repaired or replaced by the Company, then the amount deposited in the Company Proceeds Account may be applied to prepay the Notes as provided in paragraph 4F(iii) of the Note Agreement or retained in the Company Proceeds Account in accordance with Section 3.18. No deposit under this Section 3.15 or substitution under Section 3.05 shall be required with respect to damages, casualties or condemnations of Company Equipment until the aggregate Replacement

Value of all Company Equipment and Railcar Equipment which have been subject to damage, casualty, loss or condemnation and which have not been repaired or replaced exceeds \$200,000, whereupon the Company shall cause such deposit or substitution to be made with respect to all such equipment and no such deposit or substitution shall be required until such \$200,000 threshold is next exceeded. For the purpose of this Section 3.15 and Section 3.18, satisfactory proof of the repair or restoration of Company Equipment with respect to cars damaged in any fiscal year having an aggregate Replacement Value of less than \$500,000 shall consist of only an Officer's Certificate of the Company that such Company Equipment has been repaired or restored to service.

SECTION 3.16. Evidence of Insurance. Certificates of Insurance (or, at the request of the Security Agent, certified copies of policies) of all policies to be maintained by the Company pursuant to Section 3.14 shall be delivered to the Security Agent no later than five (5) Business Days following the Closing Date (and thereafter not less than thirty (30) days prior to the expiration dates of the expiring policies) with loss payable clauses (long form) in a form satisfactory to the Security Agent naming the Security Agent as additional insured or payee, as the case may be; provided, however, that if the delivery of any certificate is delayed, the Company shall deliver an executed binder with respect thereto and shall deliver the formal certificate upon receipt thereof.

SECTION 3.17. Notification of Alteration, Cancellation of Insurance. Each insurer shall agree by endorsement upon the policy or policies issued by it to the Company, required by Section 3.14, or by independent instruments furnished to the Security Agent, that it will give the Security Agent thirty (30) days prior written notice before any such policy or policies issued pursuant to Section 3.14 shall be amended, invalidated or cancelled.

SECTION 3.18. Release of Amounts Deposited in Certain Accounts. So long as no Default or Event of Default is in existence, upon delivery to the Holders of evidence satisfactory to the Holders of the repair and restoration of an item of Company Equipment described in Section 3.15, and the delivery to the Security Agent of a Request for Release of Funds in the form of Exhibit F-1 hereto, amounts deposited in the Company Proceeds Account with respect to such item of Company Equipment shall be paid to the Company. So long as no Default or Event of Default is in existence, upon the replacement pursuant to Section 3.05 hereof of an item of Company Equipment described in Section 6E(v) of the Note Agreement, amounts deposited in the Company Proceeds Account with respect to such item of Company Equipment shall be paid to the Company. Upon the delivery to the Security Agent of a Request for Release of Funds in the form of Exhibit F-2 hereto with respect to an item of Company Equipment described in Section 3.15 or sold, transferred or otherwise disposed of pursuant to Section 6E(v) of the Note Agreement, the simultaneous payment by the Company of the accrued interest on and Yield-Maintenance Amount, if any, due with respect to the principal amount of the Notes being repaid, and the payment to the Security Agent of any Collateral Processing Fee under Section 3.19 hereof, amounts deposited in the Company Proceeds Account with respect to such item of Company Equipment shall be applied to the prepayment of the Notes pursuant to paragraphs 4B and 4F(iii) of the Note Agreement. In lieu of any of the foregoing, the Company may leave amounts deposited into the Company Proceeds Account on deposit as cash collateral for any period. So long as no Default or Event of Default has occurred and is continuing,

upon delivery to the Security Agent of a Request for Release of Funds in the form of Exhibit F-3 hereto (a) a portion of the amount in the Company Proceeds Account which was deposited with respect to any Company Equipment (which does not constitute Company Tranche A Equipment or Company Tranche B Equipment) shall be released to the Company from time to time in proportion to the reduction in the Replacement Value of Company Equipment (which does not constitute Company Tranche A Equipment or Company Tranche B Equipment) so long as the amount remaining on deposit in the Company Proceeds Account with respect to such Company Equipment is not reduced below 84% of the Replacement Value of such Company Equipment (if it had remained Company Equipment), (b) a portion of the amount in the Company Proceeds Account which was deposited with respect to any Company Tranche A Equipment shall be released to the Company from time to time in proportion to the reduction in the Replacement Value of Company Tranche A Equipment so long as the amount remaining on deposit in the Company Proceeds Account with respect to such Company Tranche A Equipment is not reduced below 84% of the Replacement Value of such Company Tranche A Equipment (if it had remained Company Tranche A Equipment), and (c) a portion of the amount in the Company Proceeds Account which was deposited with respect to any Company Tranche B Equipment shall be released to the Company from time to time in proportion to the reduction in the Replacement Value of Company Tranche B Equipment so long as the amount remaining in deposit in the Company Proceeds Account with respect to such Company Tranche B Equipment is not reduced below 84% of the Replacement Value of such Company Tranche B Equipment (if it had remained Company Tranche B Equipment).

SECTION 3.19 Collateral Processing Fee. The Company hereby agrees to pay to the Security Agent a fee (a “**Collateral Processing Fee**”) in the amount of \$2,000 for each Collateral Transaction processed by the Security Agent and payment of such Collateral Processing Fee shall be a condition to the effectiveness of such Collateral Transaction; provided, however, that no Collateral Processing Fee shall be due in any fiscal year unless the aggregate of the number of Collateral Transactions previously processed in such fiscal year (whether by the Security Agent or by the Company Security Agent) has equaled or exceeded two.

ARTICLE IV

REMEDIES UPON DEFAULT

SECTION 4.01. Remedies. (a) If an Event of Default shall have occurred and so long as the same shall be continuing, then and in every such case the Security Agent may in accordance with the instructions of the Required Holders of the Tranche C Notes (or, if no Tranche C Notes are outstanding, the Required Holders of the Tranche A Notes or the Tranche B Notes) or as otherwise set forth herein exercise any or all of the rights and powers and pursue any and all of the remedies pursuant to this Article IV and shall have and may exercise all of the rights and remedies of a secured party under the Uniform Commercial Code and, if an event of default shall then be continuing under any Company Lease all rights and remedies available to the lessor under such Company Lease. In addition, the Security Agent may take possession of all or any part of the Company Estate and may exclude the Company and (to the extent permitted by the relevant Company Lease) the Lessee and

all Persons claiming under any of them or wholly or partly therefrom; provided that, under no circumstance shall the acceleration of any Notes pursuant to paragraph 7B of the Note Agreement be a condition precedent to the exercise of remedies referred to in this Section 4.01(a). Without limiting any of the foregoing, it is understood and agreed that the Security Agent may exercise any right of sale of the Company Estate or any part thereof available to it, even though it shall not have taken possession of the Company Estate or such part thereof and shall not have possession thereof at the time of such sale.

(b) The Holders shall be entitled, at any sale or other proceeding under this Article IV, to credit against any purchase price bid at such sale by such Holders all or any part of the unpaid obligations owing to such Holders and secured by the Lien of this Agreement.

SECTION 4.02. Return of Company Estate. (a) If an Event of Default shall have occurred and be continuing, at the request of the Security Agent, the Company shall promptly execute and deliver or cause to be delivered to the Security Agent such instruments of title and other documents as the Security Agent may deem necessary or advisable to enable the Security Agent or an agent or representative designated by the Security Agent, at such time or times and place or places as the Security Agent may specify, to obtain possession of all or any part of the Company Estate to which the Security Agent shall at the time be entitled hereunder. If the Company shall for any reason fail to execute and deliver or cause to be delivered such instruments and documents after such request by the Security Agent, the Security Agent may (i) obtain a judgment conferring on the Security Agent the right to immediate possession and requiring the Company to execute and deliver or cause to be delivered such instruments and documents to the Security Agent, to the entry of which judgment the Company hereby specifically consents to the fullest extent it may lawfully do so and (ii) to the extent permitted by law and any relevant Company Lease, pursue all or part of the Company Estate wherever it may be found (but not in violation of any Company Lease) and may enter any of the premises of the Company or the relevant Lessee wherever any part of the Company Estate may be or be supposed to be and search for any such part of the Company Estate and take possession of and remove any such part of the Company Estate (but not in violation of any applicable Company Lease). All expenses of obtaining such judgment or of pursuing, searching for and taking such property shall be borne by the Company and, until paid, be secured by the Lien of this Agreement.

(b) Upon every such taking of possession, the Security Agent may (subject to the rights of any relevant Lessee under any relevant Company Lease), from time to time, at the expense of the Company Estate, make all such expenditures for maintenance, insurance, repairs, replacements, alterations, additions and improvements to and of any part of the Company Estate, as it may deem proper. In each such case, the Security Agent shall have the right to maintain, use, operate, store, lease, control or manage the Company Estate and to carry on the business and to exercise all rights and powers of the Company relating to the Company Estate, as the Security Agent shall deem best, including the right to enter into any and all such agreements with respect to the maintenance, insurance, use, operation, storage, leasing, control, management or disposition of the Company Estate or any part thereof as the Security Agent may determine, and the Security Agent shall be

entitled to collect and receive directly all tolls, rents, revenues, issues, income, products and profits of the Company Estate and every part thereof, without prejudice, however, to the right of the Security Agent under any provision of this Agreement to collect and receive all cash held by, or required to be deposited with, the Security Agent hereunder. Such tolls, rents (including Company Lease Payments), revenues, issues, income, products and profits shall be applied to pay the expenses of use, operation, storage, leasing, control, management or disposition of the Company Estate and of conducting the business thereof, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments which the Security Agent may be required or may elect to make, if any, for taxes, assessments, insurance or other proper charges upon the Company Estate or any part thereof (including the employment of engineers and accountants to examine, inspect and make reports upon the properties and books and records of the Company), and all other payments which the Security Agent may be required or authorized to make under any provision of this Agreement, as well as just and reasonable compensation for the services of the Security Agent, and of all Persons properly engaged and employed by the Security Agent.

SECTION 4.03. Remedies Cumulative. Each and every right, power and remedy given to the Security Agent specifically or otherwise in this Agreement shall be cumulative and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by the Security Agent, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by the Security Agent in the exercise of any right, remedy or power or in the pursuance of any remedy shall impair any such right, power or remedy or be construed to be a waiver of any default on the part of the Company or any Lessee or to be an acquiescence therein.

SECTION 4.04. Discontinuance of Proceedings. In case the Security Agent shall have instituted any proceeding to enforce any right, power or remedy under this Agreement by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Security Agent, then and in every such case the Company and the Security Agent shall, subject to any determination in such proceedings, be restored to their former positions and rights hereunder with respect to the Company Estate, and all rights, remedies and powers of the Security Agent shall continue as if no such proceedings had been instituted.

ARTICLE V

THE COMPANY AND THE SECURITY AGENT

SECTION 5.01. No Representations or Warranties as to The Company Equipment. THE SECURITY AGENT AND THE HOLDERS DO NOT MAKE AND SHALL NOT BE DEEMED TO HAVE MADE , AND THE SECURITY AGENT AND THE HOLDERS HEREBY

EXPRESSLY DISCLAIM, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE TITLE, VALUE, WORKMANSHIP, COMPLIANCE WITH SPECIFICATIONS, CONDITION, DESIGN, QUALITY, DURABILITY, OPERATION, MERCHANTABILITY OR FITNESS FOR USE FOR A PARTICULAR PURPOSE OF ANY ITEM OF THE COMPANY EQUIPMENT AS TO THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, AS TO THE ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, AS TO THE ABSENCE OF OBLIGATIONS BASED ON STRICT LIABILITY IN TORT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO ANY ITEM OF THE COMPANY EQUIPMENT WHATSOEVER.

SECTION 5.02. No Segregation of Moneys: No Interest. Any moneys paid to or retained by the Security Agent pursuant to any provision hereof and not then required to be distributed to any Holder or the Company as provided herein need not be segregated in any manner except to the extent provided herein or as otherwise required by law or in order to continue the perfection of the Lien of this Agreement thereon, and may, except as aforesaid, be deposited under such general conditions as may be prescribed by law, and the Security Agent shall not be liable for any interest thereon; provided that any payments received or applied hereunder by the Security Agent shall be accounted for by the Security Agent so that any portion thereof paid or applied pursuant hereto shall be identifiable as to the source thereof.

SECTION 5.03. Further Assurances: Financing Statements. The Company shall at all times maintain such filings as are necessary or desirable, or as may otherwise be requested by any Holder, in order to perfect, preserve or protect the mortgage, security interests and assignments created or intended to be created hereby, or to obtain for the Holders the full benefit of the specific rights and powers herein granted to the Security Agent, including filings and recordings in conformity with 49 U.S.C. Section 11301, the execution and delivery of Uniform Commercial Code financing statements and continuation statements with respect thereto, or similar instruments relating to the perfection of the mortgage, security interests or assignments created or intended to be created hereby.

SECTION 5.04. Certain Rights of the Company. Notwithstanding any other provisions of this Agreement, including the Granting Clause, but subject to the provisions of the fifth paragraph of the Habendum Clause hereof, the following rights shall be reserved to the Company: (a) at all times the Company shall have the right, but not to the exclusion of the Security Agent, (i) to receive from any Person all notices, certificates, reports, filings, opinions of counsel and other documents and all information which such Person is permitted or required to give or furnish to the Company or the Security Agent pursuant to any Company Lease and (ii) to exercise inspection rights pursuant to any Company Lease; and (b) so long as no Event of Default shall have occurred and be continuing, the Company shall have the right to the exclusion of the Security Agent to exercise all rights and fulfill all obligations of the lessor under each Company Lease.

SECTION 5.05. Capacity in Which Acting. The Security Agent acts hereunder solely as an agent as herein provided and in no other capacity.

SECTION 5.06. Compensation. The Security Agent shall be entitled to reasonable compensation, including expenses and disbursements, for all services rendered hereunder, which compensation shall be payable by the Company pursuant to paragraph 12B of the Note Agreement but shall not have the right to use or apply any moneys held by it hereunder in the Company Estate toward such payments. The Security Agent agrees that it shall have no right against any Holder for any fee as compensation for its services under this Agreement.

SECTION 5.07. Resignation of the Security Agent; Appointment of Successor. (a) The Security Agent or any successor thereto may resign at any time without cause by giving at least thirty (30) calendar days' prior written notice to the Company and each Holder, but such resignation to be effective only upon the acceptance of its duties hereunder by a successor Security Agent. In addition, the Required Holders may at any time remove the Security Agent without cause by an instrument in writing delivered to the Company and the Security Agent, but such removal to be effective only upon the acceptance of its duties hereunder by a successor Security Agent. In the case of the resignation or removal of the Security Agent, the Required Holders of the Notes may appoint a successor Security Agent by an instrument signed by such Holders. If a successor Security Agent shall not have been appointed within thirty (30) days after such notice of resignation or removal, the Security Agent, the Company or any Holder may apply to any court of competent jurisdiction to appoint a successor Security Agent to act until such time, if any, as a successor shall have been appointed as above provided. The successor Security Agent so appointed by such court shall immediately and without further act be superseded by any successor Security Agent appointed as above provided.

(b) Any successor Security Agent, however appointed, shall execute and deliver to the Company and to the predecessor Security Agent an instrument accepting such appointment, and thereupon such successor Security Agent, without further act, shall become vested with all the estates, properties, rights, powers and duties of the predecessor Security Agent hereunder with like effect as if originally named Security Agent herein; but nevertheless upon the written request of such successor Security Agent, such predecessor Security Agent shall execute and deliver an instrument transferring to such successor Security Agent, all the properties, rights and powers of such predecessor Security Agent hereunder, and such predecessor Security Agent shall duly assign, transfer, deliver and pay over to such successor Security Agent all moneys or other property then held by such predecessor Security Agent hereunder.

(c) Any successor Security Agent, however appointed, shall be a bank or trust company having a combined capital and surplus of at least \$100,000,000, if there be such an institution willing, able and legally qualified to perform the duties of Security Agent hereunder upon reasonable or customary terms.

(d) Any corporation into which the Security Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which Security Agent shall be a party, shall, subject to the terms of paragraph (c) above, be Security Agent hereunder without further act.

ARTICLE VI

INDEMNIFICATION OF THE SECURITY AGENT AND EACH HOLDER BY THE COMPANY

The Company hereby agrees to assume liability for, and does hereby indemnify, protect, save and keep harmless the Security Agent and each Holder from and against any and all liabilities, obligations, losses, damages, penalties, Taxes (excluding any Taxes payable by the Security Agent on or measured by any compensation received by the Security Agent for its services under this Agreement or any income, franchise or withholding Taxes payable by any Holder or by reason of any payment to any Holder with respect to any Note, but including any Taxes imposed upon any Holder pursuant to Oregon tax laws to the extent that a Holder would not have been subject to such Taxes had it not been a party to this Agreement or the Note Agreement or a Holder of a Note), claims, actions, suits, costs, expenses or disbursements (including reasonable legal fees and expenses) of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Security Agent or any Holder (whether or not also agreed to be indemnified against by any other Person under any other document) in any way relating to or arising out of this Agreement, the Note Agreement, the Notes or any Company Lease or the enforcement of any of the terms of any thereof, or in any way relating to or arising out of the delivery, lease, possession, use, operation, condition, sale, return or other disposition of any item of Company Equipment (including latent and other defects, whether or not discoverable, and any claim for patent, trademark or copyright infringement), or in any way relating to or arising out of the administration of the Company Estate or the action or inaction of the Security Agent hereunder, except in the case of willful misconduct or gross negligence of the Security Agent in the performance of its duties hereunder. Upon payment by the Company of any indemnity pursuant to this Article VI, the Company shall be subrogated to the rights of the Security Agent and any Holder, if any, in respect of the matter as to which the indemnity was paid. The indemnities contained in this Article VI shall survive the termination of this Agreement.

ARTICLE VII

SUPPLEMENT AND AMENDMENTS TO THIS AGREEMENT AND OTHER DOCUMENTS

SECTION 7.01. Consent to Amendments. This Agreement may be amended, and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, if the Company shall obtain the written consent to such amendment, action or omission to act, of the Required Holders of the Notes. As used herein, the term "this Agreement" and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

SECTION 7.02. Documents Mailed to Holders. Promptly after the execution by the Company or the Security Agent of any document entered into pursuant to Section 7.01, the Company shall deliver a conformed copy thereof by certified mail, postage prepaid, to each Holder at its

address last known to the Company, but the failure of the Company to deliver such conformed copy, shall not impair or affect the validity of such document.

ARTICLE VIII

THE COMPANY COLLECTION ACCOUNT

SECTION 8.01. Company Collection Account. If at any time a Default or an Event of Default shall have occurred and be continuing, the Required Holders of the Tranche C Notes (or, if no Tranche C Notes are outstanding, the Required Holders of the Tranche A Notes or the Tranche B Notes) may request that the Company establish and maintain a Company Collection Account pursuant to the terms of this Article VIII for so long as such failure is continuing.

SECTION 8.02. Establishment of Account. Upon the request of the Required Holders of the Tranche C Notes (or, if no Tranche C Notes are outstanding, the Required Holders of the Tranche A Notes or the Tranche B Notes) pursuant to Section 8.01, the Company shall promptly establish an account (the "Company Collection Account") for the benefit of the Holders (the date of the establishment of such account being referred to herein as the "Company CA Effective Date"). The Company Collection Account shall be an account invested in Qualified Investments with Union Bank of California or another bank mutually satisfactory to the Required Holders and the Company. Immediately thereafter, the Company shall direct each Lessee to make all Company Lease Payments directly to the Company Collection Account and shall deliver one or more opinions of counsel in form and substance satisfactory to the Required Holders to the effect that the Holders have a valid first lien on and a fully perfected first priority security interest in the payments deposited in the Company Collection Account and all proceeds thereof, subject only to the exceptions, assumptions and qualifications set forth in the opinion of Norriss M. Webb, Esq., General Counsel to the Company, delivered to the Purchasers on the Closing Date. The Security Agent shall distribute all amounts deposited in the Company Collection Account in accordance with Section 2.01.

SECTION 8.03. Costs. The Company shall bear all costs and expenses incurred in connection with the establishment and maintenance of the Company Collection Account and shall promptly reimburse the Security Agent and any Holder for any costs or expenses incurred by any of them in connection therewith.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. Termination of Lien. The Lien of this Agreement upon the Company Estate shall terminate upon the indefeasible payment in full of the principal of, Yield- Maintenance Amount, if any, and interest on, and all other amounts due under, all Notes and provided that there shall then be no other amounts due to the Holders or the Security Agent hereunder or under the Note Agreement or otherwise secured hereby. Upon such termination the Security Agent shall execute

and deliver to or as directed in writing by the Company, without recourse and without any representation or warranty whatsoever, an appropriate instrument releasing the Company Estate, and, at the Company's expense, will execute and deliver such other instruments or documents as may be reasonably requested by the Company to give effect to such release; provided, however, that this Agreement and the Lien created hereby shall earlier terminate and this Agreement shall be of no further force or effect upon any sale or other final disposition by the Security Agent of all property which is a part of the Company Estate and the final distribution by the Security Agent of all moneys or other property or proceeds constituting part of the Company Estate in accordance with the terms hereof. Further, upon the prepayment in full of the Tranche C Notes pursuant to paragraphs 4A or 4B of the Note Agreement, and payment of all other sums payable thereunder, hereunder or in connection therewith, the Company shall direct the Security Agent to execute and deliver to or as directed in writing by the Company, without recourse and without any representation or warranty whatsoever, an appropriate instrument releasing the Company Estate from the Lien of this Agreement, and the Security Agent shall execute and deliver such instruments as aforesaid. Upon the sale, transfer or other disposition of Company Equipment pursuant to paragraph 6E(v) of the Note Agreement and the deposit into the Company Proceeds Account of the amount required under such paragraph 6E(v) with respect to such Company Equipment, upon the deposit of cash pursuant to Section 3.05 hereof, or upon the loss, theft, destruction or condemnation of any item of Company Equipment as described in Section 3.15 hereof and deposit into the Company Proceeds Account of the amount required under such Section 3.15 with respect to such Company Equipment, and, in any case, (i) the delivery to the Security Agent and each Significant Holder of an Officer's Certificate substantially in the form of Exhibit D-5 hereto and a Supplement in the form of Exhibit E-5 hereto duly executed by the Company specifying such Company Equipment and containing an amended and restated Exhibit A to this Agreement reflecting all items of Company Equipment and Company Leases after giving effect to all equipment and leases pledged to the Security Agent hereunder since the date of this Agreement and the deletion of such Company Equipment and all other Company Equipment and Company Leases which have been released from the Lien of this Agreement since that date, (ii) the delivery to the Security Agent of duly completed amendments to all Uniform Commercial Code financing statements filed or recorded with respect to the Company Estate amending the collateral description in such financing statements to be such amended and restated Exhibit A to this Agreement, duly executed by the Company and in proper form for filing and recording, and (iii) the payment to the Security Agent of any Collateral Processing Fee due under Section 3.19 hereof, the Security Agent shall execute and deliver, without recourse and without representation or warranty whatsoever, such releases or other instruments releasing the Lien created hereby on such sold, transferred, disposed of, lost, stolen, destroyed or condemned Company Equipment, as may reasonably be requested by the Company. Upon substitution of any new Company Equipment or new Company Lease (the "New Collateral") for any Company Equipment or Company Lease subject to the Lien created hereby (the "Old Collateral") pursuant to Section 3.05 hereof, the Security Agent shall execute and deliver, without recourse and without any representation or warranty whatsoever, such releases or other instruments releasing the Lien created hereby on such Old Collateral, as may reasonably be requested by the Company. Except as so released, this Agreement and the Lien created hereby shall continue in full force and effect in accordance with the terms hereof.

SECTION 9.02. No Legal Title to Company Estate in Holders. No Holder shall have legal title to any part of the Company Estate. No transfer, by operation of law or otherwise, of any Note or other right, title and interest of any Holder in and to the Company Estate or hereunder shall operate to terminate this Agreement or entitle such Holder or any successor or transferee of such Holder to an accounting or to the transfer to it of legal title to any part of the Company Estate.

SECTION 9.03. Sale of Company Estate by the Security Agent is Binding. Any sale or other conveyance of the Company Estate or any interest therein by the Security Agent made pursuant to the terms of this Agreement shall bind the Holders and shall be effective to transfer or convey all right, title and interest of the Security Agent and the Company.

SECTION 9.04. No Duties Except as Specified in Agreement or Instructions. The Security Agent shall not have any duty or obligation to use, operate, store, lease, control, manage, sell, dispose of or otherwise deal with any part of the Company Estate, or to otherwise take or refrain from taking any action under, or in connection with, this Agreement or any part of the Company Estate, except as expressly provided by the terms of this Agreement and no implied duties or obligations shall be read into this Agreement against the Security Agent.

SECTION 9.05. No Action Except Under Company Lease, Agreement or Instructions. The Company and the Security Agent agree that they will not use, operate, store, lease, control, manage, sell, dispose of or otherwise deal with any of the Company Estate except (a) as required or permitted by the terms of the relevant Company Lease or (b) in accordance with the provisions of this Agreement.

SECTION 9.06. Agreement for Benefit of the Company, the Security Agent and Holders. Nothing in this Agreement, whether express or implied, shall be construed to give to any Person other than the Company, the Security Agent and the Holders, any legal or equitable right, remedy or claim under or in respect of this Agreement.

SECTION 9.07. Notices. (a) All written communications provided for hereunder shall be sent by first class mail, nationwide overnight delivery service (with charges prepaid) or facsimile (confirmed by telephone) or by registered or certified mail, return receipt requested and (i) if to the Security Agent, addressed to it at The Prudential Insurance Company of America, c/o Prudential Capital Group, Four Embarcadero Center, Suite 2700, San Francisco, California 94111-4180, Facsimile: (415) 421-6233, Attention: Managing Director, or at such other address or facsimile number as the Security Agent shall have specified to the Company in writing, (ii) if to any Holder of any Note, addressed to such Holder at such address or facsimile number for giving notices to such Holder under the Note Agreement and (iii) if to the Company, addressed to it at One Centerpointe Drive, Suite 200, Lake Oswego, Oregon 97035, Telecopy Number: (503) 684-7553, Attention: Norriss M. Webb, Esq, with a copy to Squire, Sanders & Dempsey, 41 South High Street, Columbus, Ohio 43215, Attention: Steven F. Mount, Esq., or at such other address or facsimile number as the Company shall have specified to the Holder of each Note in writing; provided, that any such

communication to the Company may also, at the option of the Holder, be delivered by any other means either to the Company at its address specified above or to any officer of the Company.

(b) Written communication shall be deemed to have been received, subject as otherwise provided in this Agreement, in the case of a facsimile, at the time of dispatch with transmission confirmation of the addressee's facsimile number appearing at the end of the communication (provided, however, that, in the case of a facsimile, if the date of dispatch is not a Business Day it shall be deemed to have been received at the opening of business on the next Business Day) , and in the case of a letter, when delivered personally; provided, however, that if personal delivery or delivery by courier of a notice is tendered but refused, such notice shall be effective upon such tender.

SECTION 9.08. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 9.09. No Continuing Waivers. Any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.

SECTION 9.10. Successors and Assigns. All covenants and agreements contained herein shall be binding upon, and inure to the benefit of, each of the parties hereto and the successors and permitted assigns of each, all as herein provided. Any request, notice, direction, consent, waiver or other instrument or action by any Holder shall bind the successors and assigns of such Holder.

SECTION 9.11. Normal Commercial Relations. Anything contained in this Agreement to the contrary notwithstanding, any Holder or Affiliate of such Holder may conduct any other commercial transactions, and have other commercial relationships, with the Company fully to the same extent as if this Agreement were not in effect, including the making of loans or other extensions of credit to the Company for any purpose whatsoever, whether related to any of the transactions contemplated hereby or otherwise.

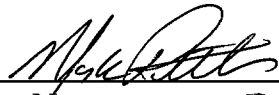
SECTION 9.12. GOVERNING LAW; JURISDICTION AND PROCESS; COUNTERPARTS. THIS AGREEMENT SHALL IN ALL RESPECTS BE GOVERNED BY , AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF ILLINOIS APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE. THE COMPANY AGREES THAT ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY TRANCHE C NOTE, OR ANY LEGAL ACTION OR PROCEEDING TO EXECUTE OR OTHERWISE ENFORCE ANY JUDGMENT OBTAINED AGAINST THE COMPANY FOR BREACH HEREOF OR THEREOF, OR AGAINST ANY OF ITS PROPERTIES, MAY BE BROUGHT IN THE COURTS OF THE

STATE OF ILLINOIS IN COOK COUNTY, ILLINOIS OR THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS BY ANY HOLDER OR THE SECURITY AGENT, AND THE COMPANY HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF SUCH COURTS FOR PURPOSES OF ANY SUCH LEGAL ACTION OR PROCEEDING. THE COMPANY HEREBY IRREVOCABLY APPOINTS AND DESIGNATES CT CORPORATION SYSTEM, WHOSE OFFICE IS AT 208 SOUTH LASALLE STREET, CHICAGO, ILLINOIS, OR ANY OTHER PERSON HAVING AND MAINTAINING A PLACE OF BUSINESS IN THE STATE OF ILLINOIS, WHOM THE COMPANY MAY FROM TIME TO TIME HEREAFTER DESIGNATE (HAVING GIVEN 30 DAYS' PRIOR WRITTEN NOTICE THEREOF TO EACH HOLDER AND THE SECURITY AGENT), AS THE TRUE AND LAWFUL ATTORNEY AND DULY AUTHORIZED AGENT FOR ACCEPTANCE OF SERVICE OF LEGAL PROCESS ON THE COMPANY. IN ADDITION, THE COMPANY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE NOTES BROUGHT IN THE COURTS OF THE STATE OF ILLINOIS IN COOK COUNTY, ILLINOIS, OR THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, AND ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. THIS AGREEMENT MAY BE EXECUTED BY THE PARTIES HERETO IN SEPARATE COUNTERPARTS, EACH OF WHICH WHEN SO EXECUTED AND DELIVERED SHALL BE AN ORIGINAL, BUT ALL SUCH COUNTERPARTS SHALL TOGETHER CONSTITUTE BUT ONE AND THE SAME INSTRUMENT.

SECTION 9.13. Addition of Certain Exhibits. If this Agreement, when executed by the parties, does not have Exhibits D-1, D-2, D3, D-4, E-1, E-2, E-3 E-4, F-1, F-2 or F-3 attached to it, then the Company agrees that it shall, within 30 days after the Closing Date, execute an amendment to this Agreement adding such Exhibits to this Agreement, which amendment, and the form of such Exhibits added to this Agreement thereby, shall be in form and substance satisfactory to the Required Holders.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written, and acknowledge that this Agreement has been made and delivered in the City of Chicago.

GREENBRIER LEASING CORPORATION

By: 
Name: *mark J. Rittenbaum*
Title: *Vice President*

THE PRUDENTIAL INSURANCE
COMPANY OF AMERICA, as Security
Agent

By: _____
Name:
Title:

[SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written, and acknowledge that this Agreement has been made and delivered in the City of Chicago.

GREENBRIER LEASING CORPORATION

By: _____

Name:

Title:

THE PRUDENTIAL INSURANCE
COMPANY OF AMERICA, as Security
Agent

By: Stephen J. DeMott or
Name:
Title: Vice President

[SIGNATURE PAGE]

State of Oregon)
)
County of Clackamas) ss

The foregoing instrument was acknowledged before me this 11th day of February, 1999 by Mark J. Rittenbaum, Vice President of GREENBRIER RAILCAR, INC.

Janet E Johnston
Notary Public for Oregon
My Commission Expires on 5/28/2002



State of California)
)
County of San Francisco) ss

The foregoing instrument was acknowledged before me this ____ day of _____, _____
by _____, Vice President of THE PRUDENTIAL INSURANCE
COMPANY OF AMERICA.

Notary Public for California
My Commission Expires on _____

State of Oregon)
)
County of Clackamas)

SS

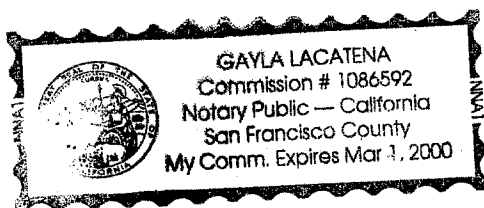
The foregoing instrument was acknowledged before me this ____ day of _____,
by _____, _____, of GREENBRIER LEASING
CORPORATION.

Notary Public for Oregon
My Commission Expires on _____

State of California)
)
County of San Francisco)

SS

The foregoing instrument was acknowledged before me this 11 day of February, 1999
by Stephen J. DeMartini, Vice President of THE PRUDENTIAL INSURANCE
COMPANY OF AMERICA.



Gayla Lacatena
Notary Public for California
My Commission Expires on 03/01/2000

**DESCRIPTION OF LEASES FOR
GREENBRIER LEASING CORPORATION**

1. Schedule No. 1 to Lease Agreement dated as of September 20, 1996 between Greenbrier Leasing Corporation, as Lessor, and The Goodyear Tire and Rubber Company, as Lessee. (G2-2)
2. Schedule No. 2 to Lease Agreement dated as of September 20, 1996 between Greenbrier Leasing Corporation, as Lessor, and The Goodyear Tire and Rubber Company, as Lessee. (G2-3)
3. Lease Agreement dated as of November 1, 1989 between Greenbrier Leasing Corporation, as Lessor, and Hampton Lumber Sales Company, as Lessee. (H1-1)
4. Lease Agreement dated as of April 12, 1991 between Greenbrier Leasing Corporation, as Lessor, and Oregon Steel Mills, Inc., as Lessee. (O2-1)
5. Lease Agreement dated as of October 20, 1992 between Greenbrier Leasing Corporation, as Lessor, and Oregon Steel Mills, Inc., as Lessee. (O2-3)
6. Lease Agreement dated as of November 30, 1995 between Greenbrier Leasing Corporation, as Lessor, and Southern Pacific Transportation Company, as Lessee. (S1-162)

EXHIBIT A
to
Company Security Agreement

Company *Car
Count*

Greenbrier Leasing 252

<i>OWNER CAR NUMBER</i>			<i>OWNER CAR NUMBER</i>			<i>OWNER CAR NUMBER</i>		
GLC	OTDX	6001	GLC	OTDX	6048	GLC	OTDX	6104
GLC	OTDX	6002	GLC	OTDX	6049	GLC	OTDX	6105
GLC	OTDX	6003	GLC	OTDX	6050	GLC	OTDX	6106
GLC	OTDX	6004	GLC	OTDX	6051	GLC	OTDX	6107
GLC	OTDX	6005	GLC	OTDX	6052	GLC	OTDX	6109
GLC	OTDX	6006	GLC	OTDX	6055	GLC	OTDX	6110
GLC	OTDX	6007	GLC	OTDX	6056	GLC	OTDX	6111
GLC	OTDX	6010	GLC	OTDX	6057	G2-2		85
GLC	OTDX	6011	GLC	OTDX	6058	GLC	OTDX	6000
GLC	OTDX	6012	GLC	OTDX	6060	GLC	OTDX	6008
GLC	OTDX	6013	GLC	OTDX	6061	GLC	OTDX	6018
GLC	OTDX	6014	GLC	OTDX	6062	GLC	OTDX	6024
GLC	OTDX	6015	GLC	OTDX	6063	GLC	OTDX	6032
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GLC	OTDX	6019	GLC	OTDX	6066	GLC	OTDX	6053
GLC	OTDX	6020	GLC	OTDX	6067	GLC	OTDX	6054
GLC	OTDX	6021	GLC	OTDX	6068	GLC	OTDX	6059
GLC	OTDX	6022	GLC	OTDX	6069	GLC	OTDX	6070
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GLC	OTDX	6039	GLC	OTDX	6091	GLC	OTDX	6114
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GLC	OTDX	6043	GLC	OTDX	6094	GLC	OTDX	6120
GLC	OTDX	6044	GLC	OTDX	6096	GLC	OTDX	6121
GLC	OTDX	6045	GLC	OTDX	6099	GLC	OTDX	6122
GLC	OTDX	6046	GLC	OTDX	6101	GLC	OTDX	6123
GLC	OTDX	6047	GLC	OTDX	6103	GLC	OTDX	6124

EXHIBIT A
to
Company Security Agreement

<i>OWNER</i>	<i>CAR</i>		<i>OWNER</i>	<i>CAR</i>		<i>OWNER</i>	<i>CAR</i>	
	<i>NUMBER</i>			<i>NUMBER</i>			<i>NUMBER</i>	
GLC	OTDX	6125	GLC	HLSC	2482	GLC	GVSR	89002
GLC	OTDX	6126	GLC	HLSC	2483	GLC	GVSR	89003
GLC	OTDX	6127	GLC	HLSC	2484	GLC	GVSR	89004
GLC	OTDX	6128	GLC	HLSC	2485	GLC	GVSR	89005
GLC	OTDX	6129	GLC	HLSC	2486	GLC	GVSR	89006
GLC	OTDX	6131	GLC	HLSC	2487	GLC	GVSR	89007
GLC	OTDX	6132	GLC	HLSC	2488	GLC	GVSR	89008
GLC	OTDX	6133	GLC	HLSC	2489	GLC	GVSR	89009
GLC	OTDX	6134	H1-1		10	GLC	GVSR	89010
GLC	OTDX	6135	GLC	CRLE	8550	GLC	GVSR	89011
GLC	OTDX	6136	GLC	CRLE	8551	GLC	GVSR	89012
GLC	OTDX	6137	GLC	CRLE	8552	GLC	GVSR	89013
GLC	OTDX	6138	GLC	CRLE	8553	GLC	GVSR	89014
GLC	OTDX	6139	GLC	CRLE	8554	GLC	GVSR	89015
GLC	OTDX	6140	GLC	CRLE	8555	GLC	GVSR	89016
GLC	OTDX	6141	GLC	CRLE	8556	GLC	GVSR	89017
GLC	OTDX	6142	GLC	CRLE	8557	GLC	GVSR	89018
GLC	OTDX	6143	GLC	CRLE	8559	GLC	GVSR	89019
GLC	OTDX	6145	GLC	CRLE	8560	GLC	GVSR	89020
GLC	OTDX	6146	GLC	CRLE	8561	GLC	GVSR	89021
GLC	OTDX	6147	GLC	CRLE	8562	GLC	GVSR	89022
GLC	OTDX	6148	GLC	CRLE	8563	GLC	GVSR	89023
GLC	OTDX	6149	GLC	CRLE	8564	GLC	GVSR	89024
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GLC	OTDX	6154	GLC	CRLE	8573	GLC	GVSR	89029
GLC	OTDX	6155	GLC	CRLE	8574	GLC	GVSR	89030
GLC	OTDX	6156	GLC	CRLE	8575	GLC	GVSR	89031
GLC	OTDX	6157	GLC	CRLE	8576	GLC	GVSR	89032
GLC	OTDX	6158	GLC	CRLE	8577	GLC	GVSR	89033
GLC	OTDX	6159	GLC	CRLE	8578	GLC	GVSR	89034
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GLC	OTDX	6161	GLC	CRLE	8580	GLC	GVSR	89036
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GLC	OTDX	6163	GLC	CRLE	8582	GLC	GVSR	89038
GLC	OTDX	6164	GLC	CRLE	8583	GLC	GVSR	89039
GLC	OTDX	6165	GLC	CRLE	8584	S1-162		40
GLC	OTDX	6166	GLC	CRLE	8585			
GLC	OTDX	6167	GLC	CRLE	8586			
GLC	OTDX	6168	GLC	CRLE	8587			
GLC	OTDX	6169	GLC	CRLE	8588			
GLC	OTDX	6170	GLC	CRLE	8589			
GLC	OTDX	6171	GLC	CRLE	8591			
GLC	OTDX	6172	GLC	CRLE	8592			
GLC	OTDX	6173	GLC	CRLE	8593			
GLC	OTDX	6174	GLC	CRLE	8594			
G2-3		79	O2-3		24			
GLC	HLSC	2480	GLC	GVSR	89000			
GLC	HLSC	2481	GLC	GVSR	89001			

EXHIBIT B
to
The Company Security Agreement

[Intentionally Omitted]

EXHIBIT C
to
The Company Security Agreement

ADDRESS OF THE COMPANY

GREENBRIER LEASING CORPORATION, INC.
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Lake Oswego, Oregon 97035